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FOREIGN SERVICE DESPATCH

FROM : AMEMBASSY, GUATEMALA — 1008 DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON. — May 15, 1953 DATE

REF : F790001-1255 — Date of Action MAY 16 1953 5-18-53

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	REC'D	OTHER	Name of Officer
	MAY 18	AG COMM FSA ARMY NAVY AIR CSM	

SUBJECT: WEEKA NO. 20 - ECONOMIC SECTION — Direction to DC/R

DECLASSIFICATION DATE 1/30/78
PER ARA OFFICE
FADRC FOI CASE NO. 740332

SECTION II

Summary

Except for further implementation of agrarian reform, little of importance took place during the past week. The press gave prominence to the fact that land was distributed to six Army officers under the Agrarian Reform Law. The National Agrarian Department (DAN) asked legislators for a $100,000 budget increase to meet its operating expenses for the rest of the fiscal year, and the bill to create a National Agrarian Bank was still stalemated in Congress. Although the United Fruit Company lost much of its uncultivated land under agrarian reform, it reported that its banana exports during the first four months of 1953 were heavy, being more than double those of the corresponding period of 1952.

In an effort to expedite progress on the Roosevelt Hospital, which has been under construction since 1944, Dr. Jorge Luis ARRIOLA, Minister of Public Health, urged Congress to increase the item in the budget for this project from the 1952-3 figure of $350,000 to $1,200,000 for the coming fiscal year.

Agrarian Reform

Wide publicity was given this week to the first distribution of land to Army officers under the Agrarian Reform Law, a step designed to insure Army support for agrarian reform as well as other administration measures. Under Article 106 of the Law extending the benefits of agrarian reform to the Army, six officers, including two from the Presidential Staff, received 34 acres each from the National Farm Las Viñas, Department of Santa Rosa, in a ceremony witnessed by the Chief of Agricultural

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Affairs of the Army, Major Rafael ARRIAGA Bosque. Although in November 1952 the press stated that three soldiers had been given 12-acre plots from the National Farm Chocolá, this is the first instance reported of officer beneficiaries of agrarian reform. The press pointed out that the Army was conducting a program to train soldiers in agriculture so that they would be prepared on completion of their service to cultivate lands of their own provided under agrarian reform.

At the same time, the bulk of the Las Viñas farm was delivered to a cooperative of 800 farm workers for operation in accordance with Article 28 of the Law providing for mixed Government-private associations. The press said this was the first farm workers industrial cooperative formed under agrarian reform. The property has a reported annual average production of 15,000 quintals (101.43 pounds) of coffee.

Agrarian reform administrative expenses are exceeding the initial budget of $404,470 and the National Agrarian Department has requested an increase of $100,000 for the remainder of fiscal year 1952-3 to cover engineering work. The budget increase would be financed from reserves of the National Farms.

Growing impatience over the delay in establishing the National Agrarian Bank was revealed when a group of deputies of pro-Government parties pressed this week for early action on the bill. They said that it had been favorably reported out of committee several weeks ago and there was no excuse for delaying discussion on the floor of Congress.

Banana Exports

The export position of the United Fruit Company for 1953 has greatly improved as banana shipments increased in April for the fourth consecutive month to a total for the year of 2,364,217 stems, 147 percent above the comparable period of 1952. The present volume of shipments is understood to be placing a considerable strain on the facilities of the International Railways of Central America. Barring excessively large blowdowns or other unforeseen difficulties the Company should attain its export forecast of 6,800,000 stems for 1953. Recent blowdowns at both Atlantic and Pacific coast plantations have increased losses for the year to 790,000 stems, compared with 140,100 during the same period of 1952, but the damage is not alarming and has not altered the forecast.

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Desp. No. 1008
From Guatemala

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Encl. No.
Desp. No.
From

F790004-1257

Technical Cooperation Programs

A substantially increased appropriation for the Roosevelt Hospital Project for fiscal year 1953-4 was requested by Dr. Jorge Luis Arriola, Minister of Public Health. Dr. Arriola informed the Finance Committee of Congress that the sum of $2,400,000 was needed to complete the hospital and he asked that $1,200,000 be provided in the new budget. The Guatemalan appropriation for this hospital is only $350,000 for the current fiscal year. He pointed to the overcrowded condition of Guatemala City hospitals and the fact that the delay increased construction costs as reasons for seeking to complete the project within a reasonable time.

Rudolf E. Schoenfeld

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